

D91
West North Avenue Development Authority

Program Description

Chapters 80 and 81 of 2021 created the West North Avenue Development Authority (WNADA) to develop a comprehensive neighborhood revitalization strategy for a portion of Baltimore City. The plan developed by WNADA should consider the residents, housing, neighborhoods, economic development, and transportation in the target area and related buffer zone. The target area is from the 600 block to the 3200 block of West North Avenue, and the buffer zone is 250 yards around the target area.

Operating Budget Summary

Fiscal 2024 Budget Proposes \$11.3 Million
(\$ in Millions)



Note: Fiscal 2024 salary enhancements are budgeted in the Statewide Account within the Department of Budget and Management.

- The fiscal 2024 allowance is the first year of established funding for WNADA as a State agency.
- WNADA received a \$250,000 State grant budgeted in the Board of Public Works in fiscal 2022 and 2023. The authority also received a \$250,000 grant from Baltimore City in fiscal 2021 and 2022.

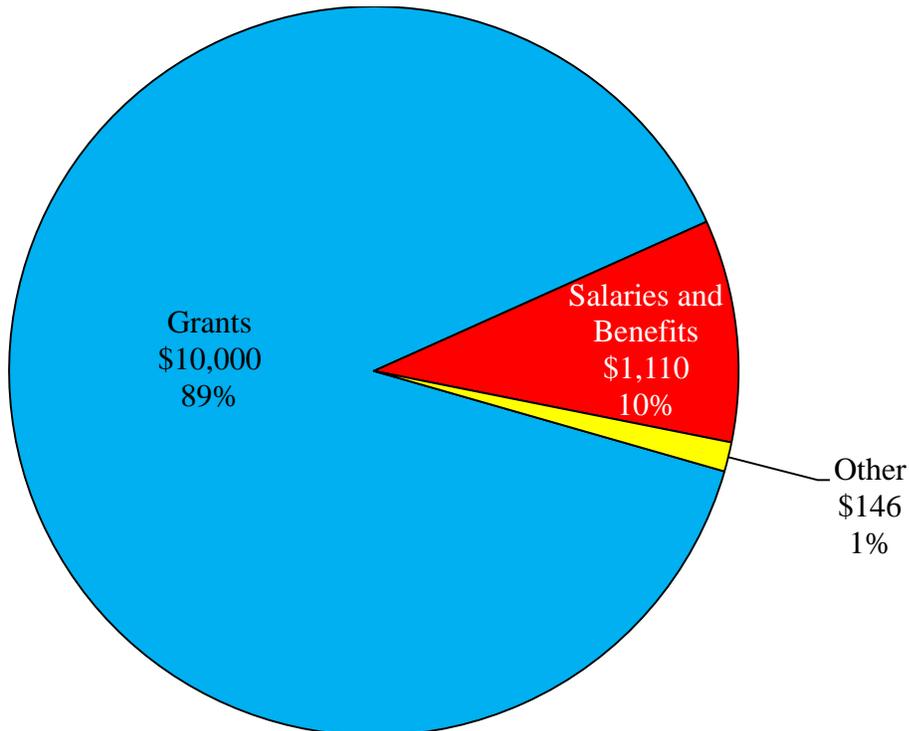
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Fiscal 2024 Overview of Agency Spending

Exhibit 1 shows that 89% of the budget supports grants, and 10% supports the staff's salaries and benefits.

Exhibit 1
Overview of Agency Spending
Fiscal 2024 Allowance
(\$ in Thousands)



Source: Department of Budget and Management

Proposed Budget

WNADA does not have any appropriations before fiscal 2024. **Exhibit 2** provides details about specific fiscal 2024 costs funded in the allowance. Currently, WNADA has 2 employees, the executive director and an executive assistant. WNADA will hire an additional 7 positions with the funds in the budget allowance. Since WNADA is a new State agency with no funding or salary history, the Department of Budget and Management has given WNADA an additional \$158,530 to address funding needs if funds for salaries are insufficient. Telephone services are budgeted as

cellphone costs, and it is unclear what kinds of information technology (IT) services the authority has procured. It may be beneficial for the authority to examine what State services could serve its needs.

Exhibit 2
Spending Detail
Fiscal 2024
(\$ in Thousands)

<u>Type of Spending</u>	<u>Amount</u>
Grants to Nongovernmental Entities	\$10,000
Salaries and Benefits	
Salaries	\$719
Fringe Benefits (Social Security, Health Insurance, and Pension Contributions)	373
Reclassifications	159
less: Turnover Expectancy	-141
<i>Subtotal Salaries and Benefits</i>	<i>\$1,110</i>
Other Expenses	
Technical and Special Fees	\$60
Travel	35
Cellphones and Information Technology Software and Hardware	30
Printing, Office Supplies, Equipment, and Subscriptions	21
<i>Subtotal Other Expenses</i>	<i>\$146</i>
Total	\$11,256

Source: Department of Budget and Management

Grants

WNADA advises that it has identified development zones that will receive funding. The authority has not yet determined the process for awarding specific grants. WNADA advises that it expects to have a process like the competitive grant processes used by the Department of Housing and Community Development (DHCD) or the Department of Commerce. The executive director, after consulting with the authority's chair and other members, has identified the following development zones and allocations:

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- \$1.5 million for the Retail Business Entrepreneur Incubator Enterprise Zone for acquisition and development of residential and commercial space for small business retail and IT entrepreneurs;
- \$1.5 million for the West North Avenue and McCulloh Street Restaurant Development Zone for acquisition and development of residential and commercial space for small business retail and restaurants;
- \$1.5 million to 600 West North Avenue for acquisition and development into mixed-use residential, commercial, retail, and entertainment to support Madison Park North redevelopment;
- \$1.25 million to the Coppin Heights Community Development Corporation to fund acquisition, development, and down payment assistance of single-family homes for homeowners and Coppin State University (CSU) employees;
- \$1.25 million for the CSU Live Near Your Work/School Program for acquisition, development, and down payment assistance of single-family homes for homeowners and CSU employees;
- \$1.25 million for economic development business venture capital grants;
- \$1.25 million for transportation and green space development; and
- \$0.5 million for neighborhood association beautification projects.

Personnel Data

	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 23-24</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	0.00	0.00	9.00	9.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	0.00	0.00	9.00	9.00

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The fiscal 2024 allowance provides WNADA with the following 9 positions:

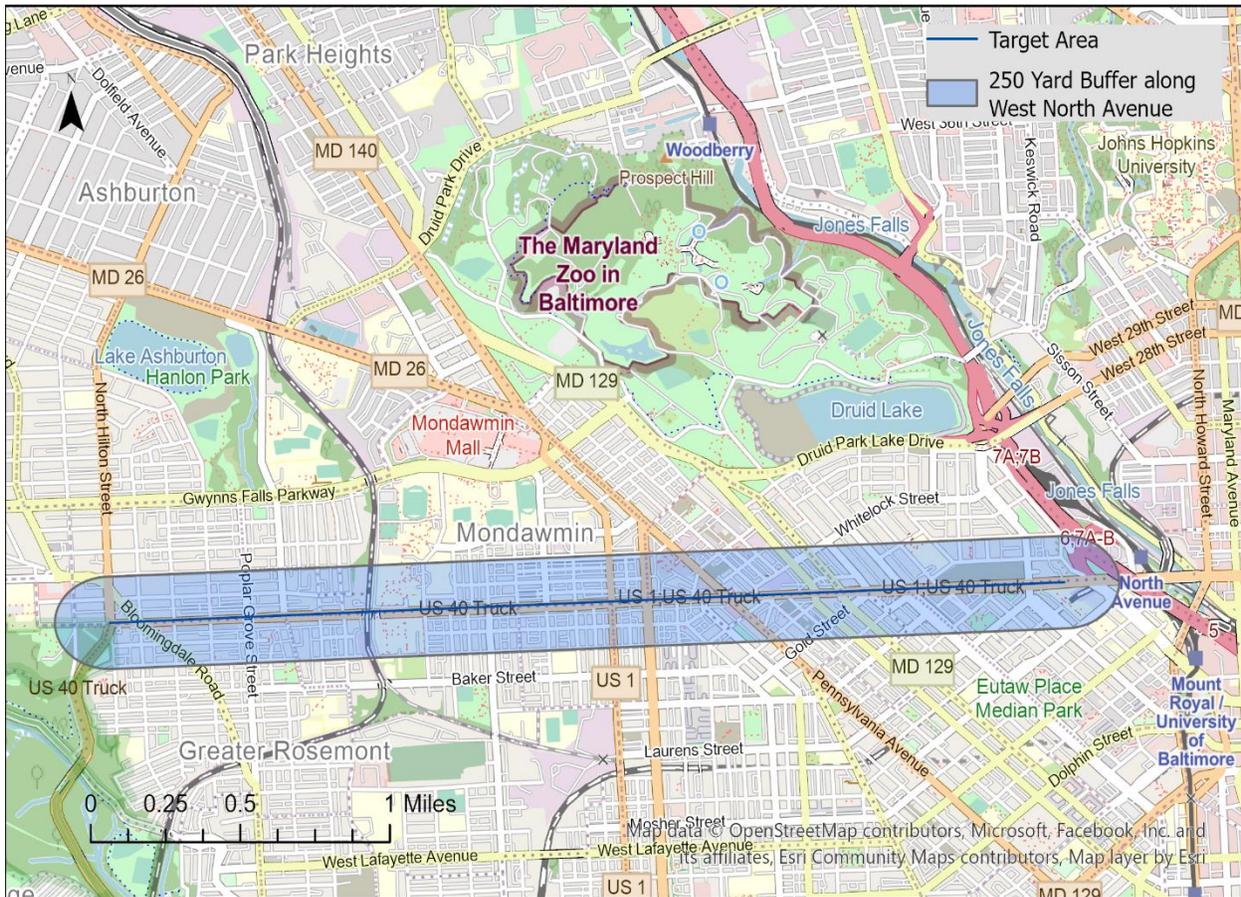
- ***Executive Director:*** (currently filled);
- ***Chief Planning and Development Officer:*** will coordinate City and State planning activities so that they are aligned with the plan and ensure that funds are being spent effectively and efficiently;
- ***Policy Research Analyst:*** will collect data, research, and prepare and present papers;
- ***Public Affairs Officer:*** will promote communication, community engagement, marketing, news media relations, and social media management;
- ***General Counsel/Land Use Attorney/Compliance Officer:*** will provide legal advice, review agreements, as well as work with the city to assist with processing land or building transfers to developers who have received grants from the authority;
- ***Housing and Neighborhood Development Officer:*** will provide technical assistance to grantees and report on the performance productivity of revitalization efforts focused on housing and neighborhood development activities;
- ***Economic Development Officer:*** will monitor economic development grantees, provide assistance to grantees, and report on performance productivity of revitalization efforts;
- ***Transportation and Green Space Development Officer:*** will monitor transportation and green space development grantees, provide assistance to grantees, and report on performance productivity of revitalization efforts; and
- ***Executive Assistant/Office Manager:*** (currently filled) will provide administrative assistance and general office administrative support.

Key Observations

1. What Is WNADA?

Chapters 80 and 81 establish WNADA. The authority supports the development and approval of a comprehensive neighborhood revitalization plan in the target area and the buffer zone. The target area is from the 600 block to the 3200 block of West North Avenue in Baltimore City, and the buffer zone is 250 yards around the target area, or 500 yards across. **Exhibit 3** shows the areas that are in the buffer zone.

Exhibit 3
WNADA Target Area and Buffer Zone



WNADA: West North Avenue Development Authority

Source: Esri; West North Avenue Development Authority; Department of Legislative Services

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The Acts charge WNADA, along with the residents of the target area and buffer zone, with developing a revitalization plan zone to benefit the residents, housing, neighborhoods, economic development, and transportation, including motor vehicles and pedestrians. To achieve its objectives, the authority may also supervise, manage, and terminate staff and consultants as necessary. By a majority vote of all members, the authority may modify the boundaries of the target area or buffer zone. The authority consists of the following 15 members:

- President of CSU, or designee, who serves as the chair;
- one State Senator;
- one State Delegate;
- Secretary of Housing and Community Development and Secretary of Transportation, or their designee;
- member of the Baltimore City Council who represents the target area, appointed by the council president;
- one member appointed by the Mayor of Baltimore;
- one member appointed by the Governor;
- Director of the Baltimore Development Corporation, or designee;
- Commissioner of Baltimore City Department of Housing and Community Development, or designee;
- Director of the Baltimore City Department of Transportation, or designee;
- Director of the Baltimore City Department of Planning, or designee;
- President of Maryland Institute College of Art, or designee, and
- two members who are residents of communities impacted by the buffer zone, selected by majority vote of the leadership of the following organizations: Alliance of Rosemont Community Associations; Bolton Hill Community Association; Coppin Heights Community Association; Druid Heights Community Development Corporation; Greater Mondawmin Coordinating Council; Penn North Community Association; and collectively, the leadership of the Reservoir Hill Improvement Council, Reservoir Hill Association, and Upper Eutaw Madison Neighborhood Association.

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In a letter to the President of CSU, the Office of the Attorney General (OAG) advises that WNADA “is more akin to a State agency than to a local or non-governmental entity.” OAG also notes that WNADA is required to follow State procurement law. Procurement law applies to all State agencies, unless specifically exempted, to provide “for increased confidence in State procurement.” WNADA receives substantial funding from the State in the fiscal 2024 allowance, so it is appropriate for WNADA to follow procurement law.

SB 331 and HB 627 have been introduced during the 2023 session. The bills would add the executive director of the Maryland Economic Development Corporation, or designee, to the authority. The bills also exempt WNADA from State procurement laws.

By October 1, 2023, WNADA should report its comprehensive neighborhood revitalization strategy to the Governor, Senate Budget and Taxation Committee, and House Appropriations Committee. Chapters 80 and 81 remain in effective for five years and, at the end of September 30, 2026, these laws shall be abrogated and of no further force and effect. **WNADA should be prepared to brief the committees on the status of its comprehensive neighborhood revitalization strategy that is due to the budget committees on October 1, 2023.**

2. Mission, Vision, Key Goals, Objectives, and Performance Measures Not Included in the Budget Documents

The State budget process includes Managing for Results (MFR). MFR is imbedded in the State budget process. MFR has agencies develop a mission statement, a vision statement, key goals, objectives, and performance indicators linked to the key goals. MFR measures for agencies are included with the State budget in the Governor’s budget books. WNADA is a new agency that has not yet developed MFR measures. **The Department of Legislative Services (DLS) recommends committee narrative that WNADA participate in the MFR process.**

3. Grant Award Process

With 89% of spending supporting grants, the budget data suggest that awarding grants will be a key function of WNADA. The process for awarding grants should be transparent. Providing clear guidelines that link grants to the authority’s goals can promote confidence in the authority’s processes. The revitalization strategy and MFR goals and objectives should inform these grant guidelines. DHCD, which WNADA plans to emulate, has prepared a 25-page manual for its neighborhood revitalization grants process. **DLS recommends committee narrative that the authority prepare a grants manual and report to the committees on its grant award guidelines.**

Operating Budget Recommended Actions

1. Adopt the following narrative:

Managing for Results (MFR): MFR is imbedded in the State budget process. MFR has agencies develop a mission statement, a vision statement, key goals, objectives, and performance indicators linked to the key goals. MFR measures for agencies are included with the State budget in the Governor’s budget books. As a new agency, the West North Avenue Development Authority (WNADA) has not yet developed MFR measures. WNADA should develop MFR mission, vision, key goals, objectives, and performance indicators and report them with the fiscal 2025 budget.

Information Request	Author	Due Date
MFR mission, vision, key goals, objectives, and performance measures	WNADA	With the fiscal 2025 budget submission

2. Adopt the following narrative:

Grants Manual: The West North Avenue Development Authority’s (WNADA) fiscal 2024 budget includes \$10 million for grant awards. WNADA has identified development zones that will receive funding. But the authority has not yet determined the process for awarding specific grants. WNADA advises that it expects to have a process like the competitive grant processes used by the Department of Housing and Community Development (DHCD). For its neighborhood revitalization program, DHCD has a 25-page manual to provide guidance about the application process, review process, post-award requirements, contract information, and special considerations. The manual also includes checklists to simplify the process. By December 29, 2023, WNADA should prepare a manual to provide a simpler and transparent review process.

Information Request	Author	Due Date
WNADA grants manual	WNADA	December 29, 2023

**Appendix 1
Object/Fund Difference Report
West North Avenue Development Authority**

<u>Object/Fund</u>	<u>FY 22 Actual</u>	<u>FY 23 Working Appropriation</u>	<u>FY 24 Allowance</u>	<u>FY 23 - FY 24 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	0.00	0.00	9.00	9.00	n/a
Total Positions	0.00	0.00	9.00	9.00	n/a
Objects					
01 Salaries and Wages	\$ 0	\$ 0	\$ 1,109,884	\$ 1,109,884	n/a
02 Technical and Special Fees	0	0	60,000	60,000	n/a
03 Communication	0	0	5,400	5,400	n/a
04 Travel	0	0	35,000	35,000	n/a
08 Contractual Services	0	0	7,600	7,600	n/a
09 Supplies and Materials	0	0	14,860	14,860	n/a
10 Equipment – Replacement	0	0	5,570	5,570	n/a
11 Equipment – Additional	0	0	13,000	13,000	n/a
12 Grants, Subsidies, and Contributions	0	0	10,000,000	10,000,000	n/a
13 Fixed Charges	0	0	5,000	5,000	n/a
Total Objects	\$ 0	\$ 0	\$ 11,256,314	\$ 11,256,314	n/a
Funds					
01 General Fund	\$ 0	\$ 0	\$ 11,256,314	\$ 11,256,314	n/a
Total Funds	\$ 0	\$ 0	\$ 11,256,314	\$ 11,256,314	n/a

Note: The fiscal 2024 allowance does not include contingent reductions or cost-of-living adjustments.